DOCUMENT RESUME

ED 172 372 EA 011 789

AUTHOR	Killalea, J. M.
TITLE	Data on Local Property Wealth for the School Year 1976-1977.
INSTITUTION	Killalea Associates, Inc., Alexandria, Va.
SPONS AGENCY	Department of Health, Education, and Welfare, Washington, D.C.
PUB DATE	13 Apr 79
CONTRACT	100-78-0094
NOTE	47p.; Table 1 may be marginally legible due to small print
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	*Assessed Valuation; *Data Bases; Educational Finance; *Property Taxes; *School Taxes; State Aid; *State School District Relationship; *Tax Rates

ABSTRACT

This report describes the results of a project that has been aimed at collecting and validating data on local wealth in school districts throughout the nation for the school year 1976-77. Section 2 reviews the concepts and terminology needed to understand and interpret the data collected. Section 3 describes the conduct of the project, including the sources of data, the process by which data were validated, a summary of the data collected, and recommendations for future undertakings of this sort. Section 4 contains a state-by-state commentary on the contents of the file, their interpretation, and the coverage of districts within each state. The computer file containing the data is resident in the Data Management Center of the Department of Health, Education, and Welfare. (Author)

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DATA ON LOCAL PROPERTY WEALTH

for the School Year 1976-1977

J. N. Killalea

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April 13, 1979

EA 011 789

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This report is made pursuant to Contract HEW-100-78-0094. The amount charged to the Department of Health, Education, and Welfare for the work resulting in this report is $37,460. The individual with managerial and professional responsibility for the work and this report is J. N. Killalea.

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for the School Year 1976-1977

J. N. Killalea

April 13, 1979

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PREFACE

This project owes a special debt to several staff members for their painstaking work in data collection and validation, district identification, and proofing. These include Amelia Armitage, Barbara Stout, Christine Whyte, and Patricia Zielinski. Alan White constructed the data base. Bruce Loatman assisted throughout the project and provided helpful comments on a draft of the final report. Helen Kellogg assisted in proofing data and also typed the report.

The author acknowledges the excellent cooperation and assistance of the many individuals in State education agencies and tax commissions who provided data and background information. Any errors in this report in interpreting State data are, however, the author's responsibility.

Jeff Williams of the National Center for Education Statistics and Larry McDonald of the Bureau of the Census gave invaluable assistance in identifying the dozens of school districts for whom codes were unknown. Jay Noelle of the National Center for Education Statistics made several helpful suggestions on the text of the report.

Finally, thanks are due to Dr. Alan L. Ginsburg, Project Officer for the government, for his guidance and advice throughout the project.

I. Introduction

Most State constitutions offer all pupils the promise of a free and efficient education. This has been taken by some State courts to mean that the level or quality of education resources should not vary from place to place. In most States, education is supported by a mix of State and local funds, the latter being raised by a tax on property. In practice, therefore, the level, and presumably the quality, of education resources varies among districts according to their local wealth. Even if State aid is distributed with the objective of countering the effects of local wealth, differences among districts in their wealth can still translate into differences in total revenues, if the amount of State aid is not large relative to the amount of local revenue. For this reason, the amount of wealth a locality can bring to bear in raising education revenue is a datum of immediate interest to analysts of school finance.

This report describes the results of a project that has been aimed at collecting and validating data on local wealth in school districts throughout the nation for the school year 1976-77. Section II reviews the concepts and terminology needed to understand and interpret the data collected. Section III describes the conduct of the project, including the sources of data, the process by which data was validated, a summary of the data collected, and recommendations fo future undertakings of this sort. Section IV contains a State-by-State commentary on the contents of the file, their interpretation, and the coverage of districts within each State.

The computer file containing the data is resident in the Data Management Center of the Department of Health, Education, and Welfare.

II. VARIATIONS IN STATE PRACTICES

This project was intended to obtain, and place in a computer file, consistent data on local wealth for all school districts in all States. The States define local wealth differently, however, and accordingly the file contains different data for some States than for others. Therefore, the user who wishes to make proper use of the file's contents must have some understanding of how each State defines local wealth. This is not as arduous a task as might first appear. Section IV of this report supplies the proper interpretation for each State. Furthermore, there is enough in common among many States that it is possible to review, first, the way wealth is defined in a "typical" State and, then, to understand methods in other States as variations on this common theme.

The Typical State

In this typical State, school districts obtain education revenues from both State and local sources. (For convenience of discussion, the revenues obtained by school districts from Federal sources are ignored.) Local school districts raise their part of education revenues by a tax on their local wealth. Wealth, from a locality's perspective, is the sum of the value of all taxable property listed in its tax rolls. In order to develop that list, local assessors estimate the value of each piece of property. Local officials determine how much is needed to operate the schools, and the relation between the amount needed and the total value on the tax rolls fixes the tax rate. Notices are sent to all who own property to advise them of their share of the total tax, and the resulting revenue is generated to support education in the coming year.

The constitution in this State espouses the principle that a free and efficient education is guaranteed by the State. This implies, among other things, that in this State it is not permissible for the level of education to vary solely or significantly with local wealth. Therefore, the State will so order its allocation of State aid among the districts that the funds will tend to counter, if not entirely offset, variations in local wealth. It will tend to give more aid per pupil to districts with lower wealth per pupil.

Now that the State has determined to offset in part the effects of variations in local wealth, it must determine what the local wealth is in each locality. In doing so, it faces the difficulties presented by the hallowed tradition whereby localities assess their property at less than full value. Some localities may assess property at 25 percent of market value, others at 30 percent, and still others at 35 percent. The State cannot use the tax rolls in these districts as comparable measures of the wealth available for education support. If nothing is done to correct the situation, the State could never be sure that its aid was being directed to the districts with the greatest need.

Accordingly, this typical State decides to take action to develop a measure of local wealth that is free from the variations that arise from

differences in the assessment practices of its jurisdictions. In view of the traditions that have built up around assessments at the local level, this State shies away from the radical step of taking over from localities the responsibility of assessing all property. This State decides to leave the local taxation process undisturbed for the purposes of generating local revenue but to undertake an additional, independent process to obtain a measure of school district wealth to be used in allocating State aid.

This independent process is as follows. The State examines prices at which properties in each district have been sold in the past year and, from the tax rolls, obtains the assessed valuations of these properties. After this has been done for a large number of properties, the State has achieved a good estimate of the relationship between the valuations in the tax rolls and the real market value for the district as a whole. This relationship is termed the district's assessment-to-sales ratio. With a similar ratio for each district, the State can now calculate the wealth of each district in a way that places local wealth on a comparable basis. The total assessed valuation in each district is adjusted (divided) by the ratio for that district. The result is termed the district's equalized property valuation, or EPV.

Variations

This project was sponsored in order to develop a file of data for all districts in all States representing a consistent measure of local wealth, defined as equalized property valuations. Only about half the States in fact conduct their affairs in the precise manner described above for the "typical" State; the remaining States can be discussed as variations.

Several States adjust assessed valuations among the districts (using assessment-to-sales ratios) but adjust the assessments to less than full value. These States have placed all districts on a comparable basis, but it is desirable for that basis to be the same as that for the "typical" State. Data for such States are included in the file after a trivial and obvious adjustment has been made. Indiana, as an example, adjusts the assessed valuations of its school corporations (districts) so that they are all on a comparable basis but are at one third market value. Indiana's figures have been multiplied by three to bring them to full value.

Other States follow a procedure like that in the typical State but make further adjustments after having calculated the EPV. Rhode Island, for instance, adjusts assessed valuations to obtain EPVs for each district but then adjusts them twice more, the second adjustment being to apply a factor relating each district's median family income to the State average income. For Rhode Island and several other such States, this file contains the EPV only, ignoring any non-property factors or adjustments; Section IV points out the differences between EPV and the State's measure of wealth.

For another group of States, the file contains equalized property valuations even though the State does not itself make adjustments required to place all districts on a comparable basis. Oklahoma, for instance, does not develop equalized valuations. The State's tax commission does, however, conduct assessment-to-sales ratio studies for each county. These

ratios were applied in this project to the State-supplied data on assessed valuations to obtain EPVs. For the States in which such adjustments were made, Section IV describes the source of the ratios.

The device used for dealing with Oklahoma data was intended to enlarge the number of States for which comparable analysis could be performed -- that is, on equalized property valuations expressed at full market value. In other States, an opposite tack was taken. The source documentation for a few States listed both assessed valuations and adjusted valuations, with the latter appearing as though they were equalized. We discovered, upon detailed investigations and consultations with representatives in State agencies, that the adjusted figures merely represent the valuations that result from assuming that each district or county is assessing property at the percentage it is supposed to use for assessments. It would not be in keeping with the standards established for this file to include such figures as equalized, since there is no independent, objective check on the extent to which localities met their percentage goals. In each case, the State representative agreed with this judgment. Therefore, "adjusted" valuations in these States were not included as equalized valuations in the file.

Mississippi does develop a distinct, objective measure of local wealth for each county but its method differs substantially from that in the other States discussed thus far. It develops an index for each county including a number of components of wealth but not including local assessed valuations.

Hawaii is unique in that it does not tax or permit taxation on local property for school purposes.

Contents of the File

The file contains data on equalized property valuations for 36 States. For these, it is feasible to conduct an analysis of the equity of school financing arrangements on a comparable basis, using a consistently defined measure -- equalized property valuations at full market value. There was no opportunity, of course, to assess the quality of the adjustment process in these States, for in the extreme that would require visiting every school district to retrace the development of assessment-to-sales ratios. Nonetheless, it is felt that the analyst can proceed with high confidence in using the file for these 36 States.

In the 14 States for which EPV data cannot be available, only in Hawaii is there no local tax on property. In the remaining 13, local property is taxed, and data on local assessed valuations is available. For purposes of comprehensiveness, the file includes local assessed valuations even though they could not be adjusted for comparability. The State-by-State review in a later section cautions the user in this respect. Moreover, the file is structured so that EPVs and local assessed valuations are separately recorded, forcing the user to make an explicit decision whether to use data for such States in the same analysis with States for which EPV data is available. For the States for which EPV data is available, assessed valuation data is available for 28, and this is included in the file.

For 46 States, information was available on local tax rates, and this information is also entered in the file. In most of these States, the total

tax rate is presented along with its two major components: the portion of the rate that generates revenue to service debt or to support the capital fund, and the portion that generates revenue for school operation.* The total tax rate, including any component such as a rate for debt service, would be appropriate for analysis of total education burden on taxpayers. But in an analysis that centers on education resources the total rate can give a distorted picture, because the demand for revenue to service debt can vary sharply over time when there is no change at all in the level of education services for pupils. The inclusion of tax rates for other than operation can be particularly misleading when the analysis is restricted to a single school year, as this file is. Accordingly, the file contains the operating tax rate where it was possible to do so. For some States, it was not possible to distinguish component tax rates, and the total tax rate is entered.

To be consistent with files being developed at this time for major studies of school finance, the file contains data for the 1976-77 year.

Table I summarizes the data elements contained and the coverage of districts in the file for each State. The coverage of districts is felt to be excellent. One standard of comparison is the number of operating districts as listed in Education Directory, Public School Systems, 1976-77, issued by the National Center for Education Statistics. That source lists 15,889 operating districts. This file contains data for 15,823 districts. The two sources agree very well for most States. Generally, where numbers in the two sources differ significantly, the explanation can be found in the different definitions used by the two sources. In Alaska, as one example, there are -- as the directory states -- 52 operating districts. Of these, 22 are funded entirely by the State. For these 22 there can be no EPV data, leaving 30 for which data should be entered in this file.

Complications of School District Organization

Most, but perhaps not all, users of this file will probably be aware of the complications in school finance analysis caused by differences among the States in how their school systems are organized. In a number of the States, each school system is "unified;" that is, it serves all grades. In many States, there are non-unified systems; that is, some systems serve only elementary grades and others serve secondary grades. Correct analysis requires that these differences be taken into account. To place into a realistic context these complications, let us consider California.

California operates elementary, secondary, and unified districts. In analyzing wealth-related disparities across all districts in California, a decision must be made as to procedure. One could compare all districts in the State regardless of the grade spans operated, but this might suggest a greater disparity than may actually exist -- because some of the spending pattern (generally higher in high schools than in elementary schools) can be explained by decisions that have been made on the education needs of

*In a number of States, these components are further divided; for instance, the operating tax rate may consist of separate rates for the general fund, special education, transportation, and other such elements.

Table I. SUMMARY OF FILE CONTENTS

State	Data Available			No. Districts	
	AV	EPV	Rate	This File	NCES*
Alabama	x			127	127
Alaska	x	x		30	52
Arizona	x		x	239	233
Arkansas	x	x	x	385	384
California		x		1,041	1,034
Colorado	x		x	181	131
Connecticut		x	x	158	165
Delaware	x	x	x	26	26
Florida	x		x	67	67
Georgia	x	x	x	188	188
Idaho	x	x	x	115	115
Illinois		x	x	1,017	1,022
Indiana	x	x	x	304	304
Iowa	x	x	x	449	449
Kansas		x	x	306	307
Kentucky	x	x	x	181	181
Louisiana	x	x	x	66	66
Maine		x	x	279	221
Maryland	x	x	x	24	24
Massachusetts	x	x	x	349	358
Michigan		x	x	581	583
Minnesota	x	x	x	440	438
Mississippi	x		x	152	150
Missouri	x	x	x	558	560
Montana	x		x	577	577
Nebraska	x		x	1,118	1,132
Nevada	x	x	x	17	17
New Hampshire	x	x	x	163	156
New Jersey	x	x	x	534	569
New Mexico	x	x	x	88	88
New York	x	x	x	722	737
North Carolina	x		x	132	145
North Dakota		x	x	344	322
Ohio	x	x	x	616	622
Oklahoma	x	x	x	623	624
Oregon	x		x	334	332
Pennsylvania	x	x	x	503	504
Rhode Island	x	x	x	38	40
South Carolina	x		x	92	92
South Dakota	x	x	x	194	190
Tennessee	x		x	147	147
Texas	x	x	x	1,095	1,098
Utah	x		x	40	40
Vermont	x	x	x	240	247
Virginia	x	x	x	141	133
Washington	x	x	x	303	301
West Virginia	x	x	x	55	55
Wisconsin		x	x	395	435
Wyoming	x		x	49	51
	41	36	46	15,823	15,889

* Number of operating public school systems as listed in Table 5 of Education Directory, Public School Systems, 1976-77, National Center for Education Statistics.

children in different grades. Alternatively, elementary districts could be compared only with other elementary districts, high school with high school, and unified with unified. But this would result in having three indicators of disparity, which would complicate the interpretation of results within a State and the comparison of results with other States. The three numerical indicators could be averaged, but this is so rough a method that it should be avoided if at all possible.

One way to handle the problem is to create pseudo-unified districts by associating all data for elementary districts with the high school districts to which they send their children. This would place all the non-unified districts on a par with unified districts and, in turn, would make possible a comparable analysis of all States. Because, as we shall see below, this procedure is not without difficulties of its own, this file has not been structured so that the link between high school and associated elementary districts is explicit. State documents do sometimes make this link evident.

Whether or not the user elects to construct pseudo-unified school systems, a problem remains. It can best be illustrated by reference to the data for a typical high school district and the elementary districts that are associated with it:

	EPV	Pupils
Alhambra H. S. District	$470,899,683	8,812
Alhambra Elementary	288,110,504	8,851
Garvey Elementary	70,906,717	5,926
San Gabriel Elementary	111,882,462	3,752

Note that the valuations for the three elementary districts total to the valuation for the high school district. This is because the local wealth backing up high school children is the same as the local wealth backing up the elementary school children; that is to say, the same parents are paying the bills. Now, the problem is this. In 1976-77 there were 8,812 high school students in the high school district, and the figures would seem to indicate that each of these is backed up by $53,438 in local wealth. In fact, however, that wealth is diluted by the amount that is needed to support pupils in the elementary school districts. Therefore, Alhambra High School District cannot properly be compared with, say, Baldwin Park Unified (which analysts of California school finance will recognize); Baldwin Park's $8,955 per pupil is indeed low, but how much lower it is than Alhambra cannot be determined by reference to $53,438.

The user must resolve this problem in the way that best suits the particular analysis. A simple approach is to reduce the stated dollar figure for each of the four districts by a factor that relates the number of students attending elementary schools to the number attending the high school districts. For instance, if we knew that, in the San Gabriel area one third of its students attend high school and two thirds elementary, we could allot one third of the San Gabriel valuation to the high school district and the remainder to the San Gabriel elementary district. By a similar process applied to the other two elementary districts, we could

develop a residual valuation for each of the four districts. Even if we do not know the actual number of high school students coming from each of the three elementary areas, we could assume that each district sends the same proportion of its pupils to high school. The total enrollment is 27,341. High school students constitute 32.2 percent of the total (8,812 ÷ 27,341). This factor could be used to determine how much of each area's valuation is to be attributed to the elementary district and how much to the high school district.

We noted earlier that the analyst might wish to consider creating pseudo-unified districts. Such a device offers desirable advantages but is not without its drawbacks. The per-pupil wealth in San Gabriel is almost $30,000, while the per-pupil wealth in Garvey is less than $12,000 (both figures are based on the undiluted EPVs as stated above). Creating a pseudo-unified district would obliterate this distinction.

III. CONDUCT OF THE PROJECT

This section describes the procedures by which data for this file was collected and validated. In addition, some suggestions are offered for future collections of this kind.

Data Sources

The project began with the expectation that question VI of Form 33 of the ELSEGIS finance survey conducted by the Bureau of the Census would elicit the data required to construct the file. This question asked each State to provide for each district the total assessed valuation, assessment-to-sales ratio, and total tax rate (presumably including the debt service rate). The responses to question VI were hand copied at the offices of the Bureau of the Census, a process that consumed several weeks for less than half the States. As these lists were returned to the project office, it was possible to begin the validation of data. In that process it was determined through discussions with representatives of a few States that at least some of the data was questionable. In one State, only a part of property had been included in the F-33 submission. In others, a single ratio had been entered for all districts; of course a single ratio could arise from a highly unlikely coincidence or from a failure to conduct real ratio studies. It was recommended, and approved by the contract sponsor, that an effort should be made to obtain data directly from additional States, at least to validate the submitted data and possibly to replace it.

The States were solicited for valid data representing, as closely as was possible given the different approaches to property valuation, the equalized figure. State cooperation was excellent. As State reports, printouts, and tabulations arrived, it soon became evident that the F-33 submissions were generally so faulty that they should be avoided wherever possible. At that point, a concerted effort was made to replace F-33 data by requesting data from existing State reports. For a very few States, it was not possible to obtain replacement data, and it was necessary to use F-33 data. For only one of these "F-33" States, Iowa, was it possible to confirm that the quality of the F-33 data is on a par with that of States for which reports were received directly.

Data Validation

After data had been obtained from a State, it was reviewed in terms of several criteria. First, a check was made against the master list of districts maintained by the National Center for Education Statistics. This check served two purposes. One was to tag each district in the State data with the seven-digit code used in most Federal files to identify districts. The second was to reconcile differences in coverage between the State and NCES listings. When a district was listed on one source but not both, actions were taken to ensure that a match was made. When we were convinced that a district in the NCES listing should not be included in the property valuation file -- e.g., it was not a taxing jurisdiction -- it was not considered further. When a district was

listed in the State document but not in the NCES files, a resolution was made in either of two ways. In most instances, this resulted in the district being entered in the NCES file. In some instances, however, it was the NCES judgment that such a district is "really" part of another district; and in those instances, the valuations for two districts were summed.

Second, we discussed with State representatives the proper interpretation of data entered in the State report. In Georgia, for example, we found that the ratios entered for each district were identical for all but nine districts; and in Nevada the ratios were identical for all except one district. In both these States we eventually discovered a State representative who could provide the real ratios, which do indeed differ across the districts.

Third, data for each State was examined according to a number of tests, including reasonableness. Most of these were conducted by examining each entry for each district. For example, in New Hampshire two districts had lower equalized property valuations than assessed valuations. This is odd, to say the least, since most assessors understate rather than overstate valuations. Our check with the State determined that the data for one of the districts is partly explained by an outdated figure for EPV, and that in the other instance the State report contained a typographical error by which $100 million had been inadvertently added to assessed valuation.

Some "errors" in the data were actually anomalies caused by our misunderstanding the data supplied. Some districts in the State of Washington were listed as having zero tax rate. Although less attention was paid in this project to tax rates than to equalized valuations, it was desirable to remove the error if possible. In discussion with the State representative, it was determined that, in Washington's unusual financing arrangement, a base tax of 3.6 mills is levied for school purposes by the State against the district's equalized valuation. Additionally, some (not all) districts opt for an excess local levy, which is applied to their unadjusted assessed valuations. The two rates could not be summed meaningfully because they are taxes on differently defined quantities. The tabulation available to the project listed only the excess levies. Where possible in this project, the tax rate entered in the file for a district is its total operating rate, which, in this instance, means both the State and the local excess rates. To make these two comparable, we divided 3.6 by the indicated ratio of the county in which the district was located, which converts the State rate to apply, in effect, to the same base as does the excess levy. For districts that opted for excess levies, the tax rate entered in the file is the sum of the two rates; for other districts (those for which zero tax rates had been entered in the State report), the tax rate entered in the file is the State rate adjusted to the valuation base.

Recommendations for Future Collections

Experience in this project has led to two recommendations that should be considered in future collections of data on local wealth. One concerns the method of collecting data, and the other concerns alternative measures of local wealth.

Data Collection Strategy

At the inception of this project, it was assumed that the needed data would come from Section VI of Form 33, Survey of Local Government Finances, School Systems, part of the 1977 Census of Governments conducted by the Bureau of the Census on behalf of the National Center for Education Statistics. After examining the responses to questions in this section, the Bureau apparently concluded that it was fruitless to process the data received. One might be led to infer that the States had failed to respond accurately. To some extent this is true, but the major share of the blame rests with the design of the survey itself.

The questions in Section VI are brief and seemingly clear. They request three data items for each district in a State:

A. Assessed valuation of property subject to the property tax for schools after deduction of any exemptions;

B. Prevailing ratio of final assessed valuation of real property to actual market value;

C. Total real property tax rate for the school district.

An example will illustrate the difficulty that respondents had in complying with the requirements of the survey.

In South Dakota, as in many farming States, the property list includes separate valuations for each district for agricultural, non-agricultural, and utilities property. In each district, the different types of property are locally assessed in a variety of ways. Accordingly, the State develops a separate ratio for each district for each category of property, an unuaually fine-grained and discriminating system for adjusting assessments to full value. When the State respondent was faced with the need to provide a single ratio in order to answer question VIB, he did so by calculating the simple average of the three ratios for each district. This average ratio did differ for different districts; but it is, nonetheless, not accurate, because districts vary in the proportion of the three categories of property in their areas. In this instance, the effort expended by the State to respond to the survey was unnecessary, because the Bureau of the Census did not really want the ratio at all; the desired data was the equalized property valuations, which the State could have provided readily with minimum effort. The ratio is merely an intermediate step in obtaining the end product.

Now, it must be admitted that it is very difficult indeed to design questions that properly take into account the variety of State practices. Would it be necessary to alert Rhode Island that the desired data is the equalized property valuations at 100 percent of market value but prior to an income adjustment? How would the question be framed to ensure

that some States were not responding with the ratios that should apply, even if the State does not independently check them? If the question and its accompanying instructions are expanded to be sure that a particular State knows what it is supposed to provide, would not other States be confused by those same elaborations?

Fortunately, it is not necessary to rely on a fixed survey form in every instance in which data is to be collected from the States. As the preceding section of this report demonstrates, most States have in readily available form -- reports or computer files -- the desired data. It is quite possible to design a collection method that makes use of these sources, thereby lessening the burden on respondents, reducing clerical costs for both the States and the collecting agency, and minimizing the risk of transcription error. A general question would indicate the nature of the data request and would refer to an attachment, drafted individually by State. The attachment would refer to the specific situation in a State as of the last report in the F-33 series and request an update. For Arizona, the note might read as follows:

> It is our understanding, based on the most recent Annual Report of the Superintendent of Public Instruction, that Arizona does not conduct formal ratio studies that result in equalized property valuations for each school district. If this is still the case, please provide assessed valuations and tax rates for each district. Information may be in the form of a tabulation like that from the Annual Report for 1976-77. If the State's procedures have changed since that date, please call this office.

And for New York, the attachment might be as follows:

> It is our understanding that New York State maintains data on local assessed valuations, equalized valuations, and tax rates in its data processing system. If that is still the case, please provide a tape containing those data elements for each school district.

Preparing individual notes for the State may appear to be a major effort, but it is trivial compared to the saving it might effect in terms of reduction of error and burden.

Measures of Local Wealth

This project was sponsored with the objective of obtaining a consistently defined quantity that represents local wealth of school districts in every State. The quantity selected for collection was equalized property valuation. The general approach is open to question on two counts.

First, there is substantial question whether EPV is the ideal measure of local wealth, if a single measure is to be used for all States. Some have argued that a preferred measure would include an income component, on the grounds that it is income that makes it possible for property owners to pay taxes on their property. It should be recorded, therefore, that the choice of EPV is essentially pragmatic. Most States view property (personal as well as real) as the sole component of wealth, and almost all of the States that develop a comparable (equalized) measure

of wealth for all districts do so with respect to property alone. The principal rationale for collecting EPV data is that it is more widely available than, say, a mix of property and income data, as is used in Rhode Island.

There is also substantial question whether an analysis of the equity of school financing arrangements should be restricted to any single measure. The rationale for selecting a single measure is that it is required in order to provide a consistent basis for analysis. But there are other forms of consistency. Another view of consistency is to use whatever measure a State employs. For many States this will be EPV, but for some it will be a different quantity. Is it sufficient rationale that, because EPV is readily available for a number of States, EPV alone (rather than a mix of EPV and income) should be used in analyzing the equity of school financing in Rhode Island?

These comments lead to two recommendations. Although local wealth is at the heart of school finance analysis, not enough work has been done on alternative measures of local wealth; and more should be done before equalized property valuations become, without further justification, a national standard. Further, until that work results in an acceptable single standard, it is desirable to compare the results that emerge for particular States when alternative measures are employed, including each State's measure.

IV. FILE CONTENTS, STATE BY STATE

This section reviews briefly for each State a number of matters that may be of interest to users.

The discussion in each State begins with the entries that will be found in the file: assessed valuations, equalized valuations, and tax rates.

For States in which the school finance formula dictated handling the data in unusual ways, a brief description is provided of the way in which data was transformed. It should be noted that discussions of this sort are not intended to cover comprehensively the school aid formula; rather, they describe only what it is felt the user may wish to know in order to support proper interpretation of results of using the file.

A similar explanation is provided for any State in which it was necessary to make certain allocations that were not made directly by the State. For example, our unit of analysis is the district, but some districts are located in two counties that have different tax rates. In such instances, it was necessary to calculate a weighted tax rate based on the proportion of the district's valuation that lies in the two counties.

Data for most States is considered to be of excellent quality. For some States, the discussion includes a judgment that the quality is less than excellent. This matter is necessarily judgmental, but the comment is not made without some justification. One criterion for data quality is the obvious one: the extent of errors detected. But in some cases it was not possible to validate data, and even so it is felt that the data may not be of highest quality. One criterion used here is the judgment that data quality is probably high when it has been taken from an official publication of the State rather than from a handwritten list. The reason is that such publications are exposed to the review of all school districts and the general public, which suggests that major errors or omissions would probably be corrected before publication. Handwritten material, on the other hand, although not *per se* inferior, happens in a number of States (particularly those that submitted responses to the F-33 data collection) to be correlated with error.

Perhaps the most important item discussed in this section is the file coverage of districts. There is one obvious reason: the user must know the extent to which the file represents the universe of a State's districts. In fact, the coverage is generally excellent, even for the States in which some difficulty was encountered in obtaining data for all districts. Of greater impact on the user, however, is the need to be able to access the file correctly. This file, like most files used at the Federal level, employs the seven-digit OE code, the master list of which is maintained by the National Center for Education Statistics. The user must have these codes in his file to make effective use of this file. For several States, districts were identified that were not in the NCES master list. These districts and their codes are listed in the appropriate State discussion.

ALABAMA

The file contains data for Alabama only on local assessed valuations. The State does not equalize valuations across districts. Tax rates were not available.

Data was supplied by the State Department of Education, as a result of inquiries made by NCES. The State does not maintain records on property valuations for the independent cities located within counties. For purposes of constructing this file, the following procedure was used to develop valuations for the city districts. In counties containing such districts, enrollment was available for each district. The proportion of the county's total enrollment that is represented by a district was used to determine the proportion of a county's property valuation attributable to each district.

The file contains data on all 127 Alabama districts.

ALASKA

Data for Alaska consists of local assessed valuations and equalized property valuations, referred to in the State as Equalized Full Value Determinations. Tax rate data was too scattered to be included in the file.

There is an apparent discrepancy between the 30 districts included in this file and the 52 districts listed in the NCES directory. The discrepancy is explained by the fact that only these 30 districts are taxed locally for education purposes, the others being supported by State funds. Data on local assessed valuations and equalized full-value determinations were taken from the State publication, Alaska Taxable 1976: Municipal Property Assessments and Equalized Full Value Determinations, dated January 1977.

Data quality is excellent, and the district coverage is complete.

ARIZONA

Data available on this file for Arizona consists of local assessed valuations and tax rates.

Data was obtained from the Annual Report of the Superintendent of Public Instruction for Fiscal Year 1976-77. The State sets a standard of full cash value, but there is no evidence that it conducts formal ratio studies that might result in equalizing valuations across districts. The tax rate is a composite in which the operating tax rate cannot be distinguished.

The file contains data for 239 districts; this compares with 233 districts listed in the NCES directory. The quality of the data is excellent.

ARKANSAS

The file contains data for Arkansas on local assessed valuations, equalized valuations, and tax rates.

The source of the data is the Annual Statistical Report of the Public Schools of Arkansas, Department of Education, dated January 1978. This document contains the local assessed valuation and the assessment-to-sales ratio. These were used to calculate the equalized valuation (by dividing the assessment by the ratio). The report contains the tax rate for maintenance and operation and the tax rate for debt service; in keeping with the standards set in creating this file, the former is reflected in the data here.

The data is considered excellent in quality. Data is included for 385 districts, compared with 384 districts in the NCES directory, so that the coverage is also excellent.

CALIFORNIA

The file contains data for California districts on equalized property valuations, referred to in that State as Modified Assessed Valuations. The source for data is Selected Statistics, 1976-77, California Public Schools.

California operates elementary, secondary, and unified districts. The user should refer to Section II for a discussion of the problems involved in handling data for non-unified districts.

There is an additional complication that must be kept in mind when accessing the file for California data and for data for other States. The file uses the seven-digit OE code to identify school districts, with a unique identifier for each distinct school district. The master list of OE codes published by NCES is remarkably accurate, given the bewildering complexity of school district organization in the country. But it is not perfect. From time to time, it is determined that the file does not describe exactly the nature or number of districts in 1976-77; and when that occurs, changes are made to the master list. The extent to which accurate use can be made of this property valuation file, therefore, depends on the version of the NCES master list available to the user.

In California, there are several instances in which a single OE code has been assigned to an "elementary-secondary" district when in fact two separate districts were involved. This happened for ten pairs of districts.* Several of these pairs were identified in a separate NCES investigation, but several more were identified in the course of creating this file. NCES has now assigned distinct OE codes to each of the twenty districts involved

*Presumably the reason for the assignment of a single code is that these pairs are Common Administration Districts, elementary and secondary districts that share certain characteristics, such as having the same superintendent. In fact, however, there are 22 pairs of such CADs; the ten to which one code had been assigned merely happen to have the same words in the name of the district.

in these pairings. These newly assigned codes are used in this file, and the result is an improved reflection of the organization of California districts in 1976-77. Users of the file should, therefore, determine whether their master list of OE codes contains these new assignments. The districts affected are listed below with their new and old OE codes. (In all except two instances, the new codes bracket the single code formerly assigned, and the old code is eliminated.)

Alhambra Elementary	1401910	formerly 1401920
Alhambra High School	1401930	
San Rafael Elementary	1435090	formerly 1435100
San Rafael High School	1435110	
Santa Barbara Elementary	1435360	formerly 1435370
Santa Barbara High School	1435380	
Santa Cruz Elementary	1435590	formerly 1435580
Santa Cruz High School	1435600	
Petaluma Elementary	1430230	formerly 1430240
Petaluma High School	1430250	
Santa Rosa Elementary	1435810	formerly 1435820
Santa Rosa High School	1435830	
Modesto Elementary	1425130	formerly 1425140
Modesto High School	1425150	
Eureka Elementary	1413040	formerly 1413050
Eureka High School	1413060	
*Caruthers Elementary	1407620	formerly 1407620
Caruthers High School	1407650	
*Wasco Elementary	1441400	formerly 1441400
Wasco High School	1441430	

The quality of the data in the file for California is excellent. Moreover, considering the complications of dealing with various types of districts, the coverage of districts is also excellent. A total of 1,041 districts is found in the file, compared with 1,034 districts listed in the NCES directory.

COLORADO

Data in the file for Colorado consists of local assessed valuations and tax rates.

The State sets a standard for assessed valuations of 30 percent of full market value, but there is not sufficient State monitoring to assure that the level is achieved. The tax rate is the mill levy for the general

*The OE code formerly used for the "combined district" is retained in these instances for the elementary district.

fund. Data for assessed valuations and tax rates came from the Colorado Department of Education's publication, The Impact of the Public School Finance Act, May 1977.

The data is considered to be of excellent quality. Moreover, the coverage of districts is excellent, 181 districts matching exactly the 181 districts listed in the NCES directory.

CONNECTICUT

Data in this file for Connecticut consists of equalized property valuations and tax rates.

The data entered as equalized property valuations is Connecticut's Equalized Net Grand List (ENGL) for 1976-77, and is taken directly from a printout supplied by the State. It is not completely clear that these valuations are equalized in the usual sense of that term, particularly since Connecticut has been engaged, since that time, in a program to equalize valuations.

The tax rates entered in the file are from the same source. Ordinarily, tax rates are of value only if the actual local assessed valuation is also present (since the rate times the equalized valuation will not equal revenue actually produced). In this instance, the tax rate is itself equalized; it is calculated by dividing net current local expenditures (net of payments for debt service, capital outlays, and transportation) for education by the ENGL.

A number of problems arose in matching State data to district codes in the NCES directory file. Most of these were eliminated when it was determined that districts for which no OE codes exist are parts of Regional School Districts for which codes do exist. Ordinarily (in Connecticut as in other States), regional districts are not fiscally independent; but for these districts, it is appropriate to treat them as such. The data was presented in the Connecticut source by the component districts. The valuations for these districts were summed into the valuations for the Regional School Districts; and a tax rate for each Regional School District was developed by weighting the tax rates of the component districts according to their proportion of the Regional District's total valuation. For one regional district (number 13), assessed valuation and tax rate data were not available for its Burham component; accordingly, the file for this regional district contains only the data for its Middlefield district component.

The nine regional school districts for which data has been entered in this way are:

District	OE Code	District	OE Code
6*	1603515	14	1603536
10	1603520	15	1603537
12	1603530	16	1603538
13	1603535	17	1603539
		18	1603540

*Incorrectly described in the universe listing as Regional School District 36.

The data is considered to be of very good quality. The file contains data for 158 districts. The NCES directory lists 165. The file cannot be considered to have created a complete reflection of Connecticut's districts.

DELAWARE

Data in this file for Delaware consists of local assessed valuations, equalized valuations, and tax rates.

Two sources of data were available for building this file, and discrepancies between the two present more than the usual amount of difficulty. One source is the State's submission in the F-33 data collection, the other is an official report, Assessments & Tax Rates, Delaware Public Schools 1976-77, issued by the State Department of Public Instruction. The assessed valuations were identical in the two sources. In the F-33 submission, assessment-to-sales ratios were stated for the districts according to the county in which they were located: New Castle, .70; Kent, .60; and Sussex, .50. In the State report, ratios were not indicated explicitly, but rather the full valuations are given for each district. From the relation between assessed and full valuations, it is possible to calculate the effective ratios for the counties as a whole as New Castle, .97; Kent, .61; and Sussex, .82.

Differences such as these give cause for concern. Wherever ratios are as rounded as they are in the State's F-33 submission, there can be some doubt as to their foundation. On that basis, the State's own report is a better source, particularly since that report preserves the within-county differences. (Within New Castle County, for instance, Wilmington's effective ratio is .80 while Alexis I. Dupont's is 1.1. Remember that the higher the ratio, the lower the full valuation, and therefore the more favored a district is in terms of receiving State aid.) The general rule in building this file has been to use official published State data where possible, and accordingly, the State report is used here. This has been done with some reservations, since it is not known whether the process that results in relatively low full valuations for the districts that have most of the wealth in the State result from better assessment practices or from the political strength that generally accompanies wealth.

It should be noted here that part of the conflict between the two data sources arises from the way in which the F-33 question was asked. Each State was asked to list each district's assessed valuation and assessment-to-sales ratio, the idea presumably being that the collector of data would calculate the equalized valuations from those two responses. In Delaware, the process of equalizing valuations does not rely on a single formula that can readily be provided in ratio form in New Castle County. The ratios for the other two counties are indeed as stated above. For New Castle, however, the formula makes a special distinction, so that its full value is calculated as follows (where AV means assessed value):

$$\left(\frac{\text{1972-73 AV}}{.70} \times 1.1\right) + \frac{\text{1976-77 AV} - \text{1973-74 AV}}{.70}$$

It can readily be seen that there is no way to convert this into a single ratio, because the 1972-73, 1973-74, and 1976-77 AVs will differ among the districts within New Castle County. Accordingly, the State respondent to the F-33 questionnaire answered in the simplest way possible, given that it was not possible to respond correctly. In fact, though, the F-33 questionnaire was intended to obtain full valuations, which were available directly.

As in some other States, tax rate data is presented in two different forms. One is the rate actually applied to the assessed valuation in the district. The other is what may be called the "effective" rate, based on the relation of the revenues to the full valuation. In keeping with the procedure employed through this report, the former is incorporated in this file. The rates represent the sum of current expenses and tuition rates, net of debt service and minor capital improvement rates.

Agreement is perfect between the list of districts in the NCES directory and this file (there are 26 districts). The user is cautioned that these 26 districts reflect the organization in the 1976-77 school year. Since that time New Castle County school districts have been completely reorganized, pursuant to a desegregation court order.

FLORIDA

Data in the file for Floida consists of local assessed valuations and tax rates for the 67 county school districts.

Data is entered here as local assessed valuations, although there are conflicting opinions among various officials as to actual procedures. One official stated that Florida does not have ratios or EPVs; another stated that the State sets standards and monitors assessment practices closely. Close monitoring unaccompanied by corrective action, such as what would be the result of a ratio study, does not meet the criteria set in this study for equalized property valuations. Accordingly, the data is listed as LAV -- local assessed valuations -- although it is conjectured that the data is closer to full market value than in many other States which, in this file, is represented only by LAVs.

Tax rates are for current operations of the schools.

Florida has 67 county-wide school districts, and of course there is no difficulty in matching codes in the directory file with districts.

GEORGIA

Data for Georgia in this file consists of assessed valuations, equalized valuations, and tax rates.

Data was supplied in a handwritten tabulation of assessed valuations, ratios, and tax rates. The list broke down property into several classes and exemptions and summed the figures into two categories: valuations for purposes of bond taxation and valuations to be taxed for operation (the latter being net of homestead exemptions). The latter is entered in this file. Tax rates, similarly, are for maintenance and operation.

The ratio of assessments to sales is another matter entirely. The State tabulation contains a column headed "% True Value Other Than 40." For only nine districts was there an entry; that is, all others had a ratio of .40. Such uniformity is unlikely to occur if assessments are being checked through an active adjustment program. We discussed this matter with a succession of State representatives and eventually confirmed that the data originally received was in error. We eventually received a list of ratios that differed across the districts, ranging from as low as .23 to as high as .77. This list was titled in a way that implies that these ratios were being used for the school year 1977-78, one year later than is desired for this file. It appeared preferable to use this list, however, than to employ the data submitted earlier. Equalized valuations entered in this file have therefore been calculated by dividing the assessed valuations by the second set of ratios.

With this change the data is considered acceptable for use in this file, but the quality is not on a par with data for most other States. The file contains data for 188 districts, which agrees with the listing in the NCES directory.

HAWAII

Hawaii describes itself as having a single local educational agency, and this is the common understanding. It does have, however, some characteristics akin to those of multidistrict States. It operates seven "districts," each of which is headed by a superintendent. Expenditures per pupil vary across the districts, with the ratio of spending at the 95th percentile of children to spending at the 5th percentile being about 1.15.

The most pertinent characteristic of the State education program is that funding is supplied solely by the State Legislature with no tax on local property. Therefore, whatever variations in per-pupil spending may exist in the State cannot be explained by variations in property wealth, and no data for Hawaii is entered in this file.

IDADO

Data in this file for Idaho consists of local assessed valuations, equalized valuations, and tax rates.

Data on assessed valuations for all school districts was taken from a listing provided by the State Department of Education. Derivation of equalized valuations is complicated by the fact that many districts in Idaho are split into two or more counties. Fortunately, the assessed valuation of such districts are broken down into the portions falling within each county. Assessment-to-sales ratios for each county were obtained from the State Department of Revenue and Taxation. The procedure employed was to apply the county ratio to the assessed valuation in that county's part of a school district and to sum the resulting adjusted valuations. For example, the equalized valuation for Boise #1, which is in Ada and Boise Counties, is derived as follows:

AV in Ada = $189,325,089 ÷ .1836 (Ada's ratio) = $1,031,182,402
AV in Boise = $48,567 ÷ .1563 (Boise's ratio) = 310,729
Boise District #1 total equalized valuation: $1,031,493,131

The result is valuations that are both equalized and at full value.

Tax levy data came from Tabulation of Tax Levies for School Purposes, School Year 1976-77, published by the Department of Education. The data is available for school districts and counties and covers both operating and debt service purposes. The tax rates in the file are the total of county and school district levies, less the school plant facilities fund levy and the bond service levy.

A total of 115 districts are entered in this file, which agrees with the number in the NCES Directory. The data is considered to be of excellent quality.

ILLINOIS

Data for Illinois in this file consists of equalized property valuations and tax rates.

Data are taken from the publication Assessed Valuations and Tax Rates 1976, Illinois Public Schools. The term "assessed valuations" is used here and in other State documents, but these are in fact equalized valuations. The tax rates are total school tax rates.

Illinois operates more than one thousand school districts, a number that is changing each year. Some difficulty was encountered in matching listings in the State data with the NCES universe listing and with a listing provided by the Bureau of the Census, leaving some 30 districts for which codes were not available. A State official graciously assisted in making a match for most of these, but there remain eight districts for which the OE code is unknown or uncertain. Data for these districts has been omitted from the file. The file contains data for 1,017 districts, which can be compared with 1,022 in the NCES directory. Thus, it appears that both the

NCES list and this file on valuations are missing several districts. The omitted districts are all very small, and accordingly it is felt that the file reflects the situation in Illinois very well. The quality of the data is excellent.

INDIANA

The file contains data for Indiana districts on assessed valuations, equalized valuations, and tax rates.

All data was available from a State document, The 1976-1977 Report of Statistical Information for Indiana School Corporations. The adjustment to valuations is performed in Indiana by reviewing a random sample of properties to determine the ratio of assessments to property values. The result is a ratio for each school corporation and a ratio for the State as a whole. The State ratio is then divided by the ratio for an individual corporation to secure an adjustment factor to be applied to the school corporation's assessed valuation. The assessed valuation is then multiplied by the adjustment factor to obtain the adjusted assessed valuation. The adjustment to valuations is intended to overcome differences in local assessment procedures, but not to express full values. This adjustment method is found in other States that intend to equalize valuations at less than market value. The adjustment in Indiana brings all valuations to one-third of full value. For this file we have attempted to obtain valuations that are both equalized and full where possible; accordingly, the adjusted valuations as stated in the Indiana report have been multiplied by three to produce the full equalized valuations that are entered in the file.

Tax rates are available as maximum general rates, actual rates for general and debt service, and total. This file contains the actual general rate.

The data is of excellent quality. The coverage of districts is complete, at 304, which agrees with the number in the NCES directory.

IOWA

Data for Iowa in this file consists of assessed valuations, equalized valuations, and tax rates.

All data came from F-33 forms, and it is the only State for which F-33 data are felt to be excellent. The file contains 449 districts, which agrees with the number in the NCES directory.

Iowa is one of the very few States that controls the assessment process so closely that the assessed valuations are all at full market value, and therefore they are automatically equalized. The same value therefore appears in the LAV and EPV columns in the file. The tax rates in the file are total school rates, including the levy for the school building fund.

KANSAS

Data in this file for Kansas school districts consists of equalized property valuations and tax rates.

Data for valuations came from 1976-77 Unified School District Wealth, issued by the State Department of Education. This presents a printout reflecting the two-step process by which the Kansas measure of wealth is obtained. The local assessed valuation of each district has been adjusted by the district's ratio found to be applicable through a study of assessments to sales, averaged over four years, with separate ratios for urban and rural property. The adjustment brings valuations in all districts to 30 percent of full value. To the resulting figure ("Average Adjusted Valuation") is added the average taxable income in the district. The sum is the measure of wealth.

Kansas, like some other States that employ a measure of wealth (but unlike Rhode Island, for instance) holds property valuations to a much lower percentage than full value, presumably so that property will not swamp income simply by its absolute magnitude. This file has been restricted, however, to property and not to other components of wealth; and moreover it presents where possible the full value rather than a lower percentage. Accordingly, only the Average Adjusted Valuation (of property) is listed, and in each case these valuations have been divided by .30 to produce the full equalized valuations entered in the file.

Tax rates are from the 1976 Mill Levies of the 306 Unified School Districts of Kansas, also issued by the State Department of Education. These are the actual local tax rates that were applied to produce local revenue in each school district. They are therefore not to be used in conjunction with the adjusted valuations (even if those valuations were multiplied by .30 to restore them to the State's AAVs). The referenced report provides breakdowns of several rates; the rates in the file are net of any capital fund or debt service rates. Data quality and district coverage are excellent.

KENTUCKY

The file contains data for Kentucky school districts on assessed valuations, equalized valuations, and tax rates.

Kentucky data is taken from the State's submission in the F-33 data collection. A State representative indicated that such data is not available in published form and recommended that the F-33 data be used. The data submitted lists assessed valuations and assessment-to-sales ratios; the two are used to calculate equalized valuations.

There was no opportunity to validate the data or to assess its quality. Data is available for 181 districts, which agrees with the number in the NCES directory.

LOUISIANA

The file contains data for Louisiana on assessed valuations, equalized valuations, and tax rates.

Data originally came to us through Louisiana's F-33 submission, in which it was indicated that assessment-to-sales ratios were not available. Upon further discussion with State officials, it was determined that such ratios are in fact available. In addition, more detailed data on valuations of various kinds of property was obtained. This included real property (net of homestead exemptions), personal property, and public service corporations property. The assessment-to-sales ratio was applied by the State to net real property; to the result (called Projected Actual Value of Real Estate) was added the personal property and public service corporations property to obtain a total assessment equalized to full value. This total, as used in the file, differs from what Louisiana terms Total Equalized Assessment in the following way. Louisiana follows a procedure similar to that outlined above, but the projected actual value of real estate is mutiplied by .1139, the State average ratio. The Louisiana procedure is for the purposes of State aid. The user who wishes to replicate the figures used by Louisiana in its allocations cannot do so precisely with this file only (since that would require the file to have records on the three components of property); but an approximate figure can be obtained by multiplying the EPV in the file by .1139.

There is exact match between the list of districts provided by the State and the list in the directory file; there are 66 districts: 64 parish (county) districts and two city districts. The data is considered to be of excellent quality.

MAINE

The file contains data for Maine school districts on equalized valuations and tax rates.

Data in the file reflects material received from the State at several points during the construction of this file. One tabulation provided what is termed the State Valuation for each school district. We understand that this is equalized at 100 percent of market value. At the same time, we were informed that the local tax is 11.5 mills. Examination of the context and the figures indicates that the 11.5 figure represents a State figure that is used in its calculation of aid, rather than the millage actually in effect. This conjecture seems to be confirmed by the variation in millage rates shown in a document for a prior school year. Those rates, which are effective rates (that is, what the district would have to levy if the base were equalized to 100 percent), vary across the districts, with some districts having an effective rate of about 11 mills but many as high as 15 or 20. Not having obtained such rates for the 1976-77 school year, we reluctantly decided to enter rates from the earlier year rather than to enter a constant for all districts.

The quality of valuation data is excellent, but of course the tax rate data is open to some question, both because of its age and because of the conjecture that led to its inclusion in the file. The coverage of districts is complete, including the 279 districts operated in Maine at the time represented in the file (since then, one district has split into two). The published NCES directory lists 221 distircts.

MARYLAND

The file contains data for Maryland districts on assessed valuations, equalized valuations, and tax rates.

Maryland is one of the several States that combine property valuations with non-property factors -- in this instance, income -- to produce a State measure of wealth. In keeping with the criteria established for this file, only property valuations are entered (data taken from Selected Financial Data, Maryland Public Schools, 1976-77). The school districts in Maryland are dependent systems for which a true tax rate is not available. The tax rate is imputed by reference to the full valuation and the revenues obtained from the county. This is, therefore, an effective tax rate and should be used as such.

Maryland operates 24 districts -- 23 county systems and Baltimore City. The coverage in this file is complete, and the data quality is excellent.

MASSACHUSETTS

The file contains assessed valuations, equalized valuations, and tax rates for Massachusetts school districts.

Massachusetts provided a tabulation for use in building this file. The assessed and equalized valuations are as stated in the source, the ratio already having been applied to the assessed valuations. The tax rate is the total education tax rate; a separate rate for operation is not distinguishable.

Charlton and Dudley were listed separately in the State data but in the directory file are joined into district Charlton-Dudley, with OE code 3104360; the data for the two districts were summed (and a weighted tax rate developed) so that they are entered in this file as a single district. Two other districts are identified that may not be in the file of some users: Chilmark (3103690) and Oak Bluffs (3104650). Oak Bluffs is one of a handful of districts in Massachusetts whose equalized valuations are lower than their assessed valuations.

The data quality is excellent. The coverage is also excellent, at 349 districts. The NCES directory lists 358.

MICHIGAN

The file contains equalized valuations and tax rates for Michigan school districts.

The 1976-77 Summary of Expenditure Data for Michigan Public Schools served as the source of data. That report contains what the State terms the State Equalized Amount or State Equalized Valuation. This is the sum of real and personal property, both equalized to 50 percent of full value. In other words, the State legal standard is 50 percent; district valuations below the standard are brought up to the standard. The equalized valuations reported by Michigan have been doubled to produce the full equalized valuations contained in this file. The tax rate is the total operating millage.

The State reported data for some districts that could not be identified in the NCES directory file. With the assistance of NCES, codes were determined for these districts, and the user should note the following districts in this file:

Alcona Community Schools	3202160
Allegan Public Schools	3202220
Boyne City Public Schools	3206500
East Jordan Public Schools	3212560
Mid Peninsula	3229970
Duck Creek (or Fruitland Twp 1F)	3215360

The data is of excellent quality, and the coverage of districts is also excellent. The file contains data for 581 Michigan districts. The published NCES directory lists 583.

MINNESOTA

The file contains data for Minnesota on assessed valuations, equalized valuations, and tax rates.

A tabulation provided by the Minnesota State Department of Education served as the data source. Minnesota property is assessed at the local level at from 15 to 35 percent of full value, according to ratio studies by the State. Those ratios are reproduced in the State tabulations, and our file contains equalized valuations that were calculated by dividing assessed valuations by the ratios. The actual operation in Minnesota is not quite that straightforward, entailing several additional adjustments. These additional adjustments have a relatively minor impact on the valuations; and although they are important in determining State aid, they were considered by a State representative not to be needed in constructing a file for the purposes intended. The tax rates are total school tax rates.

Data is included in the file for all 440 districts in the State report. The NCES directory lists 438 districts. A new code was assigned for Lester Prairie: 3302640. The data is considered to be of high quality; but, as noted above, it does not represent the exact values used in the State aid formula. Tax rates are missing for three districts.

MISSISSIPPI

The file contains data for Mississippi on assessed valuations and tax rates.

Mississippi does not make substantial use of assessed valuations in school finance calculations. All districts are required to contribute to a total locally generated fund of $16 million. The portion each district contributes is fixed by a method that does not depend importantly on local property wealth. Instead, it is determined by an index that includes such components as retail sales taxes paid, motor vehicle license receipts, value of farm products sold, total personal income taxes, and each county's proportion of the State total of gainfully employed nonfarm, nongovernment workers. The only property component of the index is the assessed valuation of public utilities, which are assessed by the State. Accordingly, Mississippi does not conduct ratio studies to adjust assessed valuations for purposes of State aid.

Data was first made available in the form of Mississippi's submission in the F-33 data collection. In the course of validating the F-33 submissions for all States, a separate listing was obtained from the State: Tax Levy, 1976-77, Assessment, 1976. For most districts entered the valuation and tax data matched exactly. Two districts had been omitted, however, from the F-33 listing. In addition, it was observed that the valuations for five consolidated districts were for the property in only one of the two counties in which the five districts were located. Access to the State report made it possible to sum the property valuations in both counties in which a district was located. The tax rates are total school tax rates.

Data quality and coverage of districts is considered excellent. The file contains data for 152 districts. The NCES directory lists 150.

MISSOURI

Data for Missouri school districts consists of assessed valuations, equalized valuations, and tax rates.

Data on assessed valuations and tax rates came from a tabulation provided by the Missouri Department of Elementary and Secondary Education: Summary of Data of School Districts in All Counties for the 1976-77 School Year. A separate listing obtained from the State contained assessment-to-sales ratios for all counties. Each district's assessed valuation was divided by its county's ratio to produce the equalized valuation interest in this file. Ratios for several years were available; the 1976 ratio was used. The tax rate is the operating levy.

Data quality is excellent. District coverage is also excellent. The file contains data for 558 districts. The NCES directory lists 560.

MONTANA

Data for Montana in this file consists of assessed valuations and tax rates.

The State does not conduct a program to develop equalized valuations. Tax rates are for general maintenance and operation, net of items relating to capital, building, and debt service. The data for valuations and tax rates was taken from a tape provided by the Montana State Department of Education. This tape uses a State code to identify districts. The Bureau of the Census provided a list that linked State codes to Census and NCES codes. After the Census match list had been exhausted, there remained some districts listed on the Montana tape that could not be linked with OE codes. State officials and Census and NCES staff assisted in identifying these. The result is a file containing data for 577 districts. The NCES directory lists 577. The data quality is excellent.

NEBRASKA

This file contains data for assessed valuations and tax rates for Nebraska school districts.

Nebraska's intervention in the assessment process is limited to issuance of criteria by the State's Tax Commission, the guidance being that assessments should be at 35 percent of actual value. A State representative indicates that compliance with this target is very poor. There is even dispute as to what "actual value" means. Even if there were agreement on that matter, practices vary so widely among county assessors that the State representative believes that assessments range from 12 to 25 percent of full market value. The State does not conduct ratio studies.

As a matter of interest, Nebraska law has been subject to criticism for the inequities it permits, since State aid is based on these unadjusted valuations (as in many other States). An attempt was made in the past to require that the State withhold a certain amount of its aid from counties in which the assessor failed to meet the criteria. The Attorney General ruled, however, that the withholding would be unconstitutional.

The tax rate in the file is the mill levy for the general fund.

Two alternatives were available as sources of data for Nebraska. The standard State report is the Financial Report of Public School Districts, School Year 1976-77. In this report, valuations for all of a county's Class I districts are combined into a single figure per county. The second source, Comparable School District Financial Data, School Year 1976-77, breaks out data for each Class I district. The latter source was used.

The data quality is excellent. The coverage of districts is complete, at 1,118 including Hillview #57, for which NCES assigned a new code: 3748260. The NCES directory lists 1,132 districts.

NEVADA

The file contains assessed valuations, equalized valuations, and tax rates for school districts in Nevada.

Data originally made available to this project was from the F-33 submission by the State. In the course of discussions with State representatives on the validity of F-33 data, it was found that better data was available, and a tabulation was subsequently obtained from the State. A comparison of the two data sources indicates only slight differences in the assessed valuations (differences that typically arise as a result of appeals) but significant differences in the assessment-to-sales ratios, and consequently in the equalized valuations that could be produced therefrom. In the F-33 data, the assessment-to-sales ratios were stated as .35 for all except Humboldt County. Through further telephone conversations with the State representative, we found that ratios were available that differed from district to district, from .3041 to .361. This is a narrower range than is found in other States that operate strong programs to equalize property valuations. We further discussed this matter with the State representative and found that Nevada legislation requires State review of school budgets and valuations. We, therefore, employed these ratios to calculate the equalized valuations that are entered in the file, and are confident that they are valid figures.

The school operating tax rate indicated is $1.50 per $100 of valuation, or 15 mills, for all districts except Storey County, which taxes at $1.25, or 12.5 mills. The tax rates for debt service vary from zero to five mills. In general, operating rates are entered in this file, but the uniformity of these operating rates raised some questions as to data validity. A State representative confirms, however, that these are indeed the rates that were applied; and accordingly they are entered as such in this file.

Nevada is organized into 17 districts, and of course there is no difficulty in matching State data to the NCES directory listing. The coverage of districts is complete, and the data is considered to be of excellent quality.

NEW HAMPSHIRE

For New Hampshire the file contains data on assessed valuations, equalized valuations, and tax rates.

The State Department of Education provided tabulations from which the data for this file were selected. Two major anomalies were detected, one of which relates to the schedule used in assessments and equalizing assessments. The equalized valuations used in 1976-77 were based on 1974 data. In most districts, the relationship between assessed valuations and equalized valuations was much like that in other States; i.e., the latter were higher in

general. But the entry for Alton showed $98 million in assessed valuation and only $60 million in equalized valuation; in Amherst the assessed valuation was $201 million and the equalized valuation was $96 million. A separate source showed the ratios of assessments to sales of approximately 1.0. The explanations are as follows: In Alton the actual local assessed valuation increased drastically between 1974 and 1976 and the equalized valuation did not change. In this instance, the State representative himself expressed some concern about the numbers and suggested that the later valuation be used. The suggestion was followed, and the file was altered accordingly. The explanation for Amherst is simpler: the State data contained a typographical error that had not been caught; the correct figure, $101 million, was substituted.

As in a number of other States, the equalized valuation is not simply the result of applying a ratio to the assessed valuation of real property. That step is taken first, and then other property items, including the capitalized valuation of other taxes, is added.

The tax rates are the 1976 school tax rate per $1000 of equalized valuation. They are therefore effective, rather than nominal, tax rates, and should be used in conjunction with equalized valuations and not assessed valuations.

The file contains data for 163 districts in New Hampshire. The NCES directory list 156. The coverage of districts is excellent. But, because of problems such as those noted above, the data cannot be said to be of high quality.

NEW JERSEY

For New Jersey the file contains assessed valuations, equalized valuations, and tax rates.

Two sources from the State were available, one from the Department of Education, and the other from the Department of the Treasury. Both are in excellent agreement; the Treasury source differs slightly in that it reflects changes made due to appeals. The data in the file is from the Department of Education. The tax rate is the total education tax rate.

The file contains this data for 534 districts. This compares with 569 districts in the NCES directory. The discrepancy is explained largely, if not entirely, by the existence in the NCES file of non-taxing districts.

NEW MEXICO

The data in the file for New Mexico consists of assessed valuations, equalized valuations, and tax rates.

New Mexico sources provided data on assessed valuations, which are used in the state aid formula. Originally, this and tax rate data were the only data planned to be made available in the file. Subsequently, a report came to our attention, Assessment/Sales Ratio Study, January 1978, prepared by the State's Property Tax Department. Although the ratios are not used in

the State aid formula, it seemed desirable to use this additional data to create equalized valuations. Ratios were available for several years; we averages the 1975 and 1976 values (States often average ratios when they vary sharply across the years). Ratios were stated for each county; the county ratio was applied to each district within a county.

Data quality is very good. The file contains data for 88 districts, the same number as in the NCES directory.

NEW YORK

The file contains data for New York school districts on assessed valuations, equalized valuations, and tax rates.

All data came on a tape supplied to the Bureau of the Census as the State's submission in the F-33 data collection. New York obtains its equalized or "full value" valuations by appraising a random sample of each district's property, using sales records to check on the accuracy of the appraisals. This can be a more reliable method of obtaining full value than a study of the ratio of assessments to sales, partly because property that happened to be sold in a given period is not random.

Tax rates were not entered directly in the New York tape. That source lists taxes levied and assessed valuations. We calculated the rate from those two data items. The rate is the total school tax rate for operations.

Data quality is excellent. The coverage of districts is less complete than for other States. Districts on the New York tape were identified by Census code. The Bureau of the Census provided a list linking these with OE codes. The list contained several incorrectly linked or garbled codes. After these were corrected, matches existed for 722 districts, compared with the NCES directory listing of 737. Unfortunately, for 18 districts on the file there was no valuation or revenue data, and these were dropped from the file.

NORTH CAROLINA

Data for North Carolina districts in this file consists of assessed valuations and tax rates.

A State listing served as the source of data. The only difficulty in using the data was that the Rocky Mount City system is split between two districts, with valuations separately stated. The two valuations were summed; the tax rate is identical in both counties.

The data quality is considered very good. The coverage is excellent. The file contains data for 132 districts. The NCES directory lists 145 districts, but it includes some that are not taxing jurisdictions.

NORTH DAKOTA

Data for North Dakota in the file consists of equalized valuations and tax rates.

The source of data is a listing provided by the State, the 1976-77 Mill Levy Report. This source shows the valuations adjusted to 50 percent of full value. They are therefore equalized but at half the full value. The figures in the file are double those in the State source, so that this State is to some extent on a comparable basis with other states for which full equalized valuations are available.

The same source lists 14 tax rates and the total millage. The general tax rate is a base of the operating millage, but other elements should also be considered as part of operations. Accordingly, the operating tax rates in the file reflect the sum of general fund, high school tuition, high school transportation, social security; and they exclude such rates as building and sinking fund.

The file contains data for 344 districts, compared to the 322 districts listed in the NCES directory. The coverage of districts is excellent, as is the data quality. Tax rates are missing for four districts.

OHIO

Ohio data on the file consists of assessed valuations, equalized valuations, and tax rates.

The source is a tape provided by Ohio and received via the Bureau of the Census. Districts are identified on the tape by Census I.D., and a separate list was provided by the Bureau of the Census linking these I.D.s with OE codes. The data for equalized valuations includes real and personal property; the former is assessed at 35 percent of full value, and the latter at 100 percent. There is no reliable way to distinguish the portion of the figures given to us that should be adjusted and the portion that should not. Therefore, the data is entered in this file as presented by the State.

The file contains data for 616 districts. The NCES directory lists 622.

OKLAHOMA

The file contains data for Oklahoma districts on assessed valuations, equalized valuations, and tax rates.

The process of developing equalized valuations was complex. The source of data for assessed valuations (but not equalized valuations) was 1976-77 Ad Valorem Valuation Ranking and School District Revenue Report, by the Oklahoma Tax Commission. There is no indication in this source that the State adjusts assessed valuations to equalize across districts, and this was confirmed in discussions with a State representative. The same official did refer, however, to another report, Use Value Ratio Study 1976, by the Tax Commission. The report's purpose is to describe Oklahoma's tax equaliza-

tion program, under which, over a three-year period, each county's ratio of assessment to sales must come within 12 percent, plus or minus 3 percentage points -- that is, assessments ranging from 9 percent to 15 percent of full market value. A column in one of the tables includes a composite ratio for each county. This ratio has been used in this study to generate an equalized valuation for each district (applying the county's composite ratio to the valuation of each district within county). The analyst is cautioned that, as is obvious from this description, the resulting equalized valuations are not employed by Oklahoma. The tax rate is a uniform 35 mills.

The quality of the data is very good. Coverage of districts is excellent, with 623 districts in the file. The NCES directory lists 624.

OREGON

Data in the file for Oregon consists of assessed valuations and tax rates.

Oregon is one of the States for which F-33 data had been collected. To check the validity of data from this source (for Oregon as for other States), we obtained a copy of 1976-77 Summary of Valuations and Taxes Levied, issued by the Oregon State Department of Education, March 1977. Both the list of districts and the data entered on the F-33 form were identical to those in the formal report.

There is the potential for confusion relating to interpretation of Oregon data. Assessed valuations are adjusted as part of the State school aid formula, but they are not ratios of assessments to sales. Rather, they are arbitrary (which is not to say unreasonable) values applied to district valuations in order to weight the valuations of districts according to their varying costs per pupil. Basically, the valuation of a district serving elementary grades is multiplied by 7.5 percent for each such grade operated, and valuations in districts operating grades nine through twelve are multiplied by 10 percent for each such grade served. Thus a district operating all eight elementary grades receives a multiple of 60 percent and a district operating all secondary grades receives a multiple of 40 percent. Accordingly, the unified district (serving all twelve grades) receives a multiple of 100 percent.

A second potential source of confusion is the term "true cash value", used in Oregon. This reflects the fact that Oregon's standard is that property will be valued at full market value. According to a State representative, however, the valuations are not checked formally against this standard through ratio studies or independent appraisals. The valuation data is entered in this file as assessed valuations. The tax rate is the sum of the local school district tax rate, the county school levy, and (where applicable) the IED levy.

Data quality is excellent. Coverage of districts is complete. The file contains data on 334 districts. The NCES directory lists 332.

PENNSYLVANIA

Data in the file for Pennsylvania consists of assessed valuations, equalized valuations, and tax rates.

The State data was provided to the Bureau of the Census as its submission in the F-33 data collection. It was forwarded to this project in the form of a computer tape. The actual data elements in that tape were assessed valuations, ratios, and tax rates; the valuations and ratios were used to calculate the equalized valuations. In conversation with the State representative to confirm the interpretaton to be placed on the data, it was determined that the equalized valuations were readily available and could have been submitted in the F-33 data collection. The tax rates are the local tax rates. Pennsylvania is one of the number of States that calculate the "effective" tax rate -- the tax rate that a district would have to pay if its property were valued at 100 percent of the market; variations in this effective rate, or what is termed in Pennsylvania the "equalized millage", give a truer picture of relative tax burden than local millages based on disparate and incomparable assessed valuations.

The quality of data is excellent, as is the coverage of districts. The file contains data for 503 districts; the NCES directory lists 504 districts.

RHODE ISLAND

The file contains data for Rhode Island on assessed valuations, equalized valuations, and tax rates.

Data entered in the file are from Statistical Tables, 1976-77, Department of Education, December 1977. Rhode Island obtains a measure of wealth through a series of calculations, beginning with (1) local assessed valuations. (2) A ratio of assessments to sales is then determined, from which is derived, (3) valuations that are equalized and at full market value. The total of such valuations is then pro-rated downwards to make the total equal the State total of assessed valuations, thus achieving, (4) valuations that are equalized but a less than full value, or Equalized Weighted Assessed Valuation. The EWAV is then adjusted by an income factor that relates the median family income in a locality to the State average income, to obtain, (5) an Adjusted EWAV. The AEWAV for each district is then, (6) multiplied by a constant factor of approximately .98 in accordance with State law. In keeping with the criteria used throughout this project, the file contains valuations that are equalized and at full market value, item (3) above. The tax rate is the total local school tax rate.

Data quality and coverage of districts is considered excellent. The file contains data for 38 districts. The NCES directory lists 40.

SOUTH CAROLINA

Data in the file for South Carolina consists of assessed valuations and tax rates.

Data was made available through the State's submission in the F-33 data collection. As for other States, a check was made against other sources in the State. The two sources were in exact agreement. Beginning in 1977-78, the State has conducted a program to adjust assessed valuations for State purposes. For consistency with the treatment of other States in this project, this file reports on the 1976-77 school year, when adjustments were not made.

The quality of the data is considered very good. The coverage of districts is complete, with 92 districts listed in both the NCES directory and the file.

SOUTH DAKOTA

Data for South Dakota in this file consists of assessed valuations, equalized valuations, and tax rates.

South Dakota data first was made available in the form of a handwritten list, presumably as part of the State's submission in the F-33 data collection. The submission contained a column, Ratio Average. In the process of chekcing with a State representative on this matter, we found that South Dakota does not have a single ratio. Its property list contains assessed valuations for agricultural, non-agricultural, and utility property, and for each of these a separate ratio is developed for each district (although the ratio for utility assessments to sales is usually within a range from .46 to .50). Faced with a request for a single ratio, the State representative had calculated the simple average of these separate ratios. Moreover, the tax rates forwarded in the F-33 submission were two rates, one for agricultural and the other for non-agricultural. There was no way, from this data, by which the two rates could be averaged, since the proportion of agricultural to non-agricultural property varies sharply across the districts in the State.

The State forwarded a computer printout providing all the detailed data that would be required to construct the proper values for this file. (This included the levy for capital outlay, which was not used in this file.) The assessed valuation in this file is the total valuation in the South Dakota printout. The equalized valuation is created by applying the "rural sales ratio" to agricultural valuations, the "urban sales ratio" to non-agricultural valuations, the "utilities sales ratio" to utilities valuations, and summing the results of the calculation. The F-33 submission was discarded.

A single tax rate was calculated by weighting the agricultural and non-agricultural levies according to the proportion of property in these classifications in each district.

With these corrections, the data quality is considered excellent. The coverage of districts is complete, at 194. The NCES directory lists 190 districts.

TENNESSEE

The file contains data for Tennessee districts on assessed valuations and tax rates.

Tennessee is the one State for which data was received from a non-governmental source, The Tennessee Taxpayers Association; the State office does not publish material such as that sought for this file. Data came from the Association's 1976 Survey of County, City and Town Government, dated November, 1977. Following telephone conversations with staff members in the Association, the file was constructed containing data from the "assessed value" and "estimated value" columns of that source. Estimated value, as defined in the report, is the sum of locally assessed real and personal property, adjusted by the local assessment ratio, and of railroads and utilities, adjusted by a ratio of .55 uniformly throughout all districts. After the file was created and during the final check on validity of the file, it was determined that the local assessment ratio used in this calculation is the ratio standard that the locality is supposed to achieve. In the period reflected in this file, ratio studies were not conducted to validate those ratios. Accordingly, the file has been altered by eliminating the entries in the equalized valuations portion of the file, leaving only the assessed value.

As a matter of interest, the State's property equalization program changed following 1976-77, due to a suit by railroads. Beginning in 1977 the State is conducting ratio studies.

The tables in the Association report list assessed values for each county and for each city and town. County figures include, however, the assessed valuations for the cities and towns (if any) therein, which is double counting. To avoid this double counting, the assessed valuations for all cities and towns in a county were subtracted from the total assessed valuation to obtain the net assessed valuation backing up just the county system. (In some counties there is a single county system.)

This procedure could be applied in all counties in which valuations were known for all districts. Valuations were not available for certain districts. For this situation an approximation was developed in a method analogous to that employed (in similar circumstances) for Alabama. The valuation for the county as a whole was known in each instance. If valuations were known for any system within the county, such valuations were deducted from the total county valuation. For the remaining districts (for which valuations are not known), the remainder of the county valuation was divided among the districts in proportion to their enrollment. This allocation was carried out for Carroll, Crockett, Marion, and McMinn Counties.

The resulting file contains data for 147 districts, the number listed in the NCES directory. Although the coverage of districts is excellent, the data must be regarded as less than wholly satisfactory. Tax rates are missing for two districts.

TEXAS

The file contains data for Texas school districts on assessed valuations, equalized valuations, and tax rates.

School districts in Texas report the assessed value, the assessment level, and full taxable value for property in 14 categories, as well as the tax rate used by the district. To define State aid, the Legislature meets every odd-numbered year and adopts the full valuations to be used in the school funding formula; when adopted, those figures apply for two years. The Governor's Office, Education Resources, conducted the full market study that resulted in ratios based on values as of January 1, 1975. These figures were applicable to the school year 1976-77, and they are therefore used in building this file. The tax rates are the total school tax rates.

After the Governor's Office, Education Resources, ended its operations in 1977, the Legislature created the Texas School Tax Assessment Practices Board, which is now mandated to perform market value studies on each school district for a restatement, each two years, of market values and ratios.

Data quality is excellent. Users should note four districts that may not be in their file: Tucker ISD (now called Westwood), OE code 5343290; Carney ISD, 5312960; Lake Travis ISD, 5326470; and Mission Valley, ISD, 5331050. Coverage is excellent. The file contains 1,095 districts, which can be compared with the 1,098 listed in the NCES directory.

UTAH

The file contains data for Utah on assessed valuations and tax rates.

Data originally provided to the project was in the form of the State's submission in the F-33 data collection. The data consisted of assessed valuations, ratios, and tax rates, and presumably the ratios could be used to generate equalized valuations. In checking with the State as to the validity of F-33 data, we obtained a copy of the 1976-77 Utah Public School System Annual Report. The data on assessed valuations in the two sources agreed completely. The published report carried no notation, however, as to ratios or equalized valuations. Upon further inquiry with the State, we determined that the ratios applied only to about two-thirds of total property, the other third being assessed by the State at a uniform percentage of the full value; moreover, the proportion of locally assessed versus State assessed property varied across school districts. Finally, the State does not use ratios in its school aid formula. If valid ratios were available they would have been used in this file even if (as in Oklahoma, for instance) they are not in actual use by the State. In this instance, the ratios were not correct. Therefore, the file contains only the assessed valuations unadjusted. The tax rates are for operation, exclusive of building or debt levies.

The data quality is excellent. The coverage of districts is complete, at 40.

VERMONT

The file contains data for Vermont on assessed valuations, equalized valuations, and tax rates.

Vermont localities assess properties at varying percentages of full market value. The Vermont Department of Taxes conducts ratio studies and derives equalized valuations. The source for these figures and for the total school tax rates in this file is the Biennial Report of the Commission of Taxes. The report indicates that figures are estimated for 11 towns, since the State was unable to obtain information from them. Several towns listed separately in the State reports are parts of unified districts. The assessed valuations and equalized valuations for parts of a unified district were summed and entered in the file under the OE code for the unified district, and the tax rate for the unified districts is created by weighting the tax rates of the parts in proportion to their assessed valuations. For three districts the 1976 tax rate was not available; the same source lists the 1975 rate, and this was entered in the file.

The data quality can be considered good, but it is not on par with the quality of data for many other States. The coverage is also good, with 240 districts entered, compared with 247 in the NCES directory.

VIRGINIA

The file contains data for Virginia on assessed valuations, equalized valuations, and tax rates.

Data came from two State sources. Assessed valuations were obtained from the Annual Report, 1976-77, Virginia Department of Taxation. The data is titled "Total Fair Market Values", but the table title indicates that these are values on land books, which is to say that they are the local assessed valuations. Equalized valuations were obtained from the 1976 Virginia Assessment/Sales Ratio Study, also from the Department of Taxation. Tax rates are from the latter source, which contains both nominal and effective tax rates; the nominal rates are used here.

The data quality is excellent. Equalized valuations are available for all districts in the file. Assessed valuations and tax rates are missing, however, for five districts. The districts and their OE codes are as follows: Cape Charles, 5600630; Colonial Beach, 5600930; Fries, 5601530; Saltville, 5603470; and West Point, 5603950. The data element in this file that is expected to be of primary interest is equalized valuations; and the lack of assessed valuations and tax rates is a minor flaw.

The coverage of districts is complete, at 141. The NCES directory lists 133. There is a minor anomaly of which the user should be aware. According to criteria established in developing and maintaining the NCES universe file, James City County and Williamsburg are a single district, with OE code 5604020. Presumably, this comes about because the two places have a single board of education (or, what is equally possible, have two boards with identical members). From the perspective of school finance analysis, it is reasonable to consider them as separate districts. They are entered separately in State listings, they have separately stated

valuations, and -- perhaps most important -- they differ strikingly in their tax rates. The tax rates listed in this file are 30.5 and 17.0 for James City County and Williamsburg, respectively. These are not strictly comparable, because they are rates that are applied to valuations assessed at different percentages of full value. The effective rates for the two places are 7.9 and 5.8. In order to accommodate the requirements of this file, NCES assigned the old OE code, 5604020, to James City County, and a new code, 5604030, to Williamsburg. If the user cannot disaggregate his data to make use of the separate codes, the valuations in the file can be summed and a weighted tax rate can be readily summed (although of course doing so would lose some of the information on disparity in that part of the State).

WASHINGTON

The file contains data for Washington on assessed valuations, equalized valuations, and tax rates.

Washington operates a school financing arrangement that differs significantly from that of many other States. Beginning in 1975 the State has collected a school tax on property that, in most States, is collected solely at the local level. So that this collection is implemented in an equitable manner, the State also adjusts local assessments, based on ratio studies. The assessed valuations for districts and ratios for counties were made available by a State representative, and the equalized valuations entered in the file are calculated from the two.

Localities are permitted to levy excess millage (almost all elect to do so), and this somewhat complicates the process of developing tax rates to enter into this file. The reason is that there are two rates that apply to different bases: the State rate that is levied against valuations that have been equalized and local rates levied against valuations before they are equalized. They cannot be summed meaningfully. The problem is easily resolved by calculating the millage that the State would have to levy against a district's unadjusted valuation in order to obtain the same revenue as it does with the actual State millage. This amount varies, of course, directly with variations in the district's (county) indicated ratio. Therefore, the State millage is divided by the ratio and is added to the district's local levy to obtain the sum entered in the file. (An understanding of this procedure helps to explain why in one State listing the tax rates were missing for some districts: these are the districts that levied no excess taxes for the 1976-77 school year. The rates entered in the file are simply the State rate divided by the indicated ratio of the appropriate county.)

Data quality is excellent. The file contains data for 303 districts, which compares with the 301 listed in the NCES directory.

WEST VIRGINIA

Data in the file for West Virginia consists of assessed valuations, equalized valuations, and tax rates.

A report, Study of Property Valuations for the Tax Year 1977, from the Tax Commission of West Virginia, was the source of data. This source presents valuation data in four classes, for each of which a different ratio applies. The ratios were applied separately to each class of property, and the sum is entered in the file as equalized valuations. Tax rates also are different for each class across the counties; the tax rate entered in the file is a weighting of these rates according to the proportion of each class of property in a county.

West Virginia operates 55 county school systems. There is a complete match between this file and the NCES directory. The data is considered very good, subject only to the proviso that the calculations needed to derive a single equalized valuation and a single tax rate for each county are approximations and do not represent State practice.

WISCONSIN

The file contains data for Wisconsin on equalized valuations and tax rates.

Data for the file came from the State's submission in the F-33 submission. It was not possible to obtain data independently in order to validate the F-33 submission. We were informed by a State representative that the figures entered in the form are equalized rather than assessed valuations, and they are so entered in the file.

There was some difficulty in identifying Wisconsin districts. NCES provided assistance in identifying 14 districts listed in the F-33 but not readily identified in the NCES listings. In addition, a number of districts listed by NCES were not available in the F-33 listing. A State representative provided equalized valuations for the five largest of these but could not provide tax rates. The file contains data for 395 districts, while the NCES Directory lists 435. Coverage is very good but cannot be considered to be as close to the universe as is the case in most other States.

WYOMING

The file contains data for Wyoming on assessed valuations and tax rates.

Data in the file was submitted by the State in the F-33 collection. A separate State report was obtained: Wyoming Public Schools Fund Accounting and Reporting, 1976-78, Statistical Report Series No. 3. The two sources agreed as to the assessed valuation. Tax rates were not present in the State report, but we understand that the figures in the F-33 submission are less than valid.

The data quality is considered to be excellent. The coverage of districts is also excellent; 49 districts are entered in the file, compared with 51 in the NCES directory.